

MEMORANDUM

TO: Special Education Directors
FROM: Michael Craciunoiu, Grant Supervisor
DATE: January 12, 2010
SUBJECT: New Guidance for Part B Budget Modifications

Upon analysis of budget modification procedures, it has become apparent that we have the flexibility to reduce the clerical burden for you, your budget officers and the IDOE. Specifically, you may be accustomed to sending budget modification request for circumstances where past modification approval has gone beyond what is required in order to adequately monitor funds prior to the submission of a report. This has slowed up the process of getting modifications approved through our office. (See reference in EDGAR section 80.30).

Please submit electronically the attached Grant Award Management file to request a budget modification when the following circumstances are anticipated:

1. IF THERE WOULD BE A CHANGE IN SCOPE: Send a budget modification request a) if you anticipate using a category below that had not previously been included in your application or b) if you will not be addressing one of the categories that you had originally had planned to address. We are defining scope using the classification and definition of expense accounts found at: http://www.in.gov/sboa/files/sch2008_005.pdf.

- 11000 Early Intervening Services (Required at 15% for corporations in disproportionality, limited to 15%)
- 12000 Special Programs – Use this category for special education programs in general.
 - If supporting a specific program, use:
 - 12200 cognitive disabilities
 - 12300 physical impairments
 - 12400 emotional disabilities
 - 12600 specific learning disabilities
 - 12700 equal opportunity at risk
 - 12800 preschool
- 14000 Summer School Programs
- 16000 Remediation
- 17000 Payments to other Governmental Units
- 20000 Support Services
- 25000 Central Services
- 27000 Student Transportation
- 33600 Nonpublic School Pupil Services (should represent proportionate share)

Examples of when an amendment **should** be submitted:

- The grant was approved to support a program for students with physical impairments but it is requested that it instead supports early intervening services.
- The grant was approved to support special programming during the school year but now the Central Office is going to need some of the funding. This purpose was not identified in the original application.

Examples of when an amendment is **not necessary** (given that this is the extent of the anticipated change):

- Four experienced therapists were budgeted, but five new therapists could be hired for about the same cost.
- Different pieces of equipment will be purchased but the original purpose for which this equipment will be used will not change. *(Note: You are still required to receive pre-approval of any equipment needed prior to its purchase. This request will follow a separate format through the submission of an **Anticipated Equipment Inventory Update**. Guidance with respect to these requests will be forthcoming.)*
- Some funds intended to pay stipends for certified staff were originally budgeted for both summer school programs and remediation. It is thought that more funds might be required for remediation and less for the summer school.
- Funds are being moved from Materials and Supplies to provide additional funds for services of students in nonpublic settings.

2. IF CUMULATIVE TRANSFERS BETWEEN COST CATEGORIES WOULD EXCEED 10% OF THE CURRENT TOTAL APPROVED BUDGET: Send a budget modification request if the total amount that is anticipated to be moved between these groupings exceeds 10% of the total budget. We are defining cost categories using the classification and description of object accounts described at: http://www.in.gov/sboa/files/sch2008_007.pdf.

110 (135, 140)	Certified
120 (136, 140)	Noncertified
200-290	Benefits
300-550	Purchased Services (Contractual/Rental/Communications)
580	Travel
591-592	Services from another agency
611-689	General Supplies
720	Buildings (Accessibility Construction)
730- 746	Equipment / Technology Hardware
747	Software Content

Examples of when an amendment **should** be submitted:

- A total of \$500,000 was awarded to your district. It is anticipated that \$30,000 will need to be moved out of certified salaries to pay for contractual services. An additional \$25,000 is now available in benefits and could be moved into equipment. This would involve moving a total of \$55,000 which exceeds the 10% mark of \$50,000. *(Note: You are also required to receive pre-approval of any equipment needed prior to its purchase. This request will follow a separate format through the submission of an **Anticipated Equipment Inventory Update**. Guidance with respect to these requests will be forthcoming.)*
- A total of \$1,000,000 was awarded to your cooperative. In September, it is determined that \$90,000 is needed to be moved from certified salaries and benefits to pay for noncertified support. No modification request is needed unless this changes the scope of the project. Then, in February, it is determined that \$11,000 is needed from equipment to pay for accessibility software. Before moving the \$11,000, an amendment request will need to be submitted and approved.

Examples of when an amendment is not necessary (given that this is the extent of the anticipated change):

- For a grant over \$501, the cost of dental insurance is \$50 less than projected, so the \$50 could be used for materials and supplies.
- A certified therapists leaves after spring break and a contract must be established to get services to finish the year. This amounts to about \$30,000 in a grant award that is over \$300,000.

For future modification requests and final reporting, the attached budget form will be required. **Modification requests submitted in any other format will no longer be accepted.** In the next grant cycle, we will provide these spreadsheets for you, pre-populated with your grant amount and locked-in formulas.

Please submit budget modification requests electronically through an email message to my attention (craciuno@doe.in.gov). Be sure that the project number is referenced in the email text and/or subject line.

Thank you for your collaboration,

Michael Craciunoiu
Grant Supervisor, Office of Special Education
Indiana Department of Education